



Soldiers and Sailors Building
425 East Capitol Avenue
Pierre, South Dakota 57501-3100
Phone: 605-773-6050
Fax: 605-773-6053

MINUTES

June 4, 2004

At 9:00 a.m. Commissioner Kemnitz called the meeting to order. Commissioners Michael Ortner, Shawn Lyons, and Karl Fischer were present. Commissioner Wagner was absent. Staff members present for the meeting were Michael Shaw, Commission Attorney; Larry Eliason, Executive Secretary; and Craig Sparrow, Director of Enforcement and Operations.

ADMINISTRATIVE HEARINGS

Commissioner Kemnitz appointed Commissioner Ortner to be the hearing officer. The court reporter for the hearings was Cynthia Weichmann. The following cases were scheduled to be heard:

- Pierre Burck - Revocation of License
- Cory Diede - Revocation of License
- Melanie Ladson - Revocation of License
- James Mattson - Revocation of License
- Racing Services Inc. - Petition for Declaratory Ruling
- Four Aces - Petition for Declaratory Ruling
- Gold Dust Gaming - Petition for Declaratory Ruling

Revocation of license hearings for Pierre Burck and Cory Diede were continued and will be heard at a later date. The petition for a declaratory ruling for Full House, Inc. and Racing Services Inc were also continued to be heard at a later date.

Upon completion of the hearings the disposition of the cases were referred for discussion in executive session.

GENERAL MEETING

Upon completion of the administrative hearings Commissioner Kemnitz called the general meeting to order.

April 8, 2004 Minutes of the Special Meeting

Commissioner Fischer moved to adopt the minutes drafted for the April 8, 2004 meeting with the following amendment: The Petition for a Declaratory Ruling filed by Full House Inc. was acted upon as follows. Part A of the petition regarding a building designation at 688 Main Street, Deadwood, SD was granted. Part B of the petition regarding inner access was continued to be heard at a later date. Commissioner Ortner seconded the motion and it passed unanimously.

Stipulation of Assurance of Voluntary Compliance

Commissioner Lyons moved to approve the Stipulation and Assurance of Voluntary Compliance from BY Development Inc. Commissioner Fischer seconded the motion and it passed unanimously.

Professional Service Contracts

Commissioner Fischer moved to approve a professional service contract with Michael Shaw to provide legal services. Commissioner Lyons seconded the motion and it passed unanimously.

Commissioner Ortner moved to approve a professional service contract with Mark Aspass to provide architectural expertise. Commissioner Lyons seconded the motion and it passed unanimously.

Commissioner Lyons moved to approve a professional service contract with Gaming Laboratories International to provide testing of gaming devices. Commissioner Ortner seconded the motion and it passed unanimously.

Bonds for Live Tracks and Simulcast Providers

Commissioner Ortner moved that the commission require each prospective licensee to post a bond of \$50,000 in a form that is acceptable to the Executive Secretary and Legal Counsel. Commissioner Fischer seconded the motion and it passed unanimously.

Licensing

Commissioner Lyons moved to approve all Key Licenses listed in the meeting packet on page 58. Commissioner Ortner seconded the motion and it passed unanimously.

Commissioner Fischer moved to approve renewal of Key Licenses listed in the meeting packet on pages 58. Commissioner Lyons seconded the motion and it passed unanimously.

Commissioner Lyons moved to approve Associated Persons listed in the meeting packet on page 58. Commissioner Ortner seconded the motion and it passed unanimously.

Commissioner Ortner moved to approve Business License Renewals listed in the meeting packet on pages 59-66. Commissioner Fischer seconded the motion and it passed unanimously.

Commissioner Lyons moved to deny proposed financier Louis Muro and the associated companies of MariCap & CMAC as additional owners on the Deadwood City Limits, LLC licenses. Commissioner Fischer seconded the motion and it passed unanimously.

Commissioner Lyons moved to approve retail licenses for Tim and Monica Conrad (0369-RT) and Kathy Fredericksen (0366, 0367 & 0368-RT). Commissioner Lyons seconded the motion and it passed unanimously.

Commissioner Lyons moved to assign the new retail license for Tim and Monica Conrad (0369-RT) at the **B.B. Cody's** location effective July 1, 2004. Commissioner Fischer seconded the motion and it passed unanimously.

Commissioner Ortner moved to remove three retail licenses belonging to Shelly Dragoo assigned at Four Aces VI, VII, and VIII (0334, 0335 & 0336-RT) effective June 30, 2004. It was also moved to assign the three new retail licenses for Kathy Fredericksen (0366, 0367, & 0368-RT) to Four Aces VI, VII, and VIII effective July 1, 2004. Commissioner Fischer seconded the motion and it passed unanimously.

Commissioner Fischer moved to reassign the retail license currently at Bullock III (0157RT) to Bullock Express II effective July 1, 2004. Commissioner Lyons seconded the motion and it passed unanimously.

In the matter of assigning the retail license belonging to Linda Quenzer (0244-RT) to Gold Dust I(b) is to be continued and will be decided on at a later date.

Commissioner Lyons moved to approve Kenneth Lien and Lien Games, Inc. (0010-GH) and Nelson Clemmens & Am-West Entertainment, LLC (0011-GH) for Simulcast Provider's Licenses. Commissioner Fischer seconded the motion and it passed unanimously.

Commissioner Fischer moved to approve Mitch's Granstand, Inc. (0026-SS) as a simulcast site. Commissioner Ortner seconded the motion and it passed unanimously.

Executive Session

Commissioner Lyons moved to retire to executive session. Commissioner Fischer seconded the motion and it passed unanimously.

Upon completion of executive session Commissioner Fischer moved to return to general session. Commissioner Lyons seconded the motion and it passed unanimously.

Decisions on Hearings

Commissioner Fischer moved to revoke Melaine Ladson's support license for failure to take care of her financial obligations. Commissioner Lyons seconded the motion and it passed unanimously.

Commissioner Lyons moved to revoke James Mattson's support license for failure to protect company assets. Commissioner Ortner seconded the motion and it passed unanimously.

Commissioner Ortner moved approve an opening between room 6 and 7 in the Four Aces Casino in which a water curtain will also be installed. Commissioner Fischer seconded the motion and it passed unanimously.

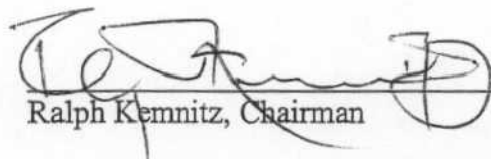
Meetings

Commissioners confirmed meeting dates Tuesday, September 14, 2004 and Wednesday, December 8, 2004. Commissioners also decided to have a special meeting on Wednesday, June 30, 2004 in Deadwood, SD.

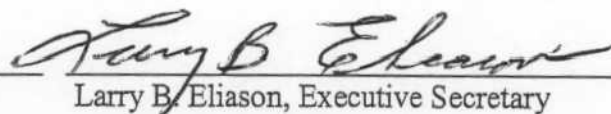
Commissioner Fischer moved to adjourn the meeting. Commissioner Ortner seconded the motion and it passed unanimously.

Respectfully Submitted,

Teri Ertman



Ralph Kemnitz, Chairman



Larry B. Eliason, Executive Secretary